



General Assembly

January Session, 2011

Raised Bill No. 6563

LCO No. 4349

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Referred to Committee on Insurance and Real Estate

Introduced by:
(INS)

AN ACT CONCERNING SMALL EMPLOYER HEALTH CARE PLANS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 38a-568 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2011*):

3 (a) (1) Subject to approval by the commissioner, the board shall
4 establish the form and level of coverages to be made available by small
5 employer carriers in accordance with the provisions of subsection (b)
6 of this section. Such coverages, which shall be designated as small
7 employer health care plans, shall be limited to: (A) A basic hospital
8 plan, (B) a basic surgical plan, (C) major medical plans which can be
9 written in conjunction with basic hospital plans or basic surgical plans,
10 (D) comprehensive plans, and (E) plans with benefit and cost-sharing
11 levels [which] that are consistent with the basic method of operation
12 and the benefit plans of health care centers, including any restrictions
13 imposed by federal law. The board shall submit such plans to the
14 commissioner for the commissioner's approval not later than ninety
15 days after the appointment of the board pursuant to section 38a-569.
16 The board shall take into consideration the levels of health insurance

17 provided in [Connecticut] the state and such medical and economic
18 factors as may be deemed appropriate and shall establish benefit
19 levels, deductibles, coinsurance factors, exclusions and limitations
20 determined to be generally reflective of health insurance provided to
21 small employers. Such plans may include cost containment features
22 including, but not limited to: (i) Preferred provider provisions; (ii)
23 utilization review of health care services, including review of medical
24 necessity of hospital and physician services; (iii) case management
25 benefit alternatives; and (iv) other managed care provisions.

26 [(2) After the commissioner's approval of small employer health
27 care plans submitted by the board pursuant to subdivision (1) of this
28 subsection, and in lieu of the procedure established by section 38a-513,
29 any small employer carrier may certify to the commissioner, in the
30 form and manner prescribed by the commissioner, that the small
31 employer health care plans filed by the carrier are in substantial
32 compliance with the provisions in the corresponding approved board
33 plan. Upon receipt by the department of such certification, the carrier
34 may use such certified plans until such time as the commissioner, after
35 notice and hearing, disapproves their continued use.]

36 (2) Subject to approval by the commissioner, the board shall
37 establish plans with a lower option level of coverages for the types of
38 plans set forth in subparagraphs (A) to (E), inclusive, of subdivision (1)
39 of this subsection that provide a lower premium rate, to be made
40 available by small employer carriers in accordance with the provisions
41 of subsection (b) of this section. Such coverages shall provide benefit
42 and cost-sharing levels that are consistent with other group plans
43 available in the state, including, but not limited to, high deductible
44 health plans, as defined in Section 220(c)(2) or Section 223(c)(2) of the
45 Internal Revenue Code of 1986, or any subsequent corresponding
46 internal revenue code of the United States, as amended from time to
47 time. The board shall submit such plans not later than January 1, 2012,
48 to the commissioner for the commissioner's approval. The board shall
49 take into consideration the levels of health insurance provided in the

50 state and such medical and economic factors as may be deemed
51 appropriate and shall establish benefit levels, deductibles, coinsurance
52 factors, exclusions and limitations determined to be generally
53 reflective of health insurance provided to small employers. Such plans
54 may include cost containment features including, but not limited to:
55 (A) Preferred provider provisions; (B) utilization review of health care
56 services, including review of medical necessity of hospital and
57 physician services; (C) case management benefit alternatives; and (D)
58 other managed care provisions.

59 (b) Not later than [ninety] sixty days after the commissioner's
60 approval of small employer health care plans submitted by the board,
61 each small employer carrier, including, but not limited to, each health
62 care center, shall, as a condition of transacting such insurance in this
63 state, [offer] file with the commissioner for the commissioner's
64 approval, and offer upon such approval, those small employer health
65 care plans that correspond to the insurance products [being] currently
66 offered by the carrier to small employers. Each small employer that
67 elects to be covered under such plan and agrees to make the required
68 premium payments and to satisfy the other provisions of the plan shall
69 be issued such a plan by the small employer carrier.

70 (c) No health care center shall be required to offer coverage or
71 accept applications pursuant to subsection (b) of this section in the case
72 of any of the following: (1) To a group, where the group is not
73 physically located in the health care center's approved service area; (2)
74 to an employee, where the employee does not work or reside within
75 the health care center's approved service area; (3) within an area,
76 where the health care center reasonably anticipates, and demonstrates
77 to the satisfaction of the commissioner, that it will not have the
78 capacity within that area in its network of providers to deliver services
79 adequately to the members of such groups because of its obligations to
80 existing group contract holders and enrollees; (4) where the
81 commissioner finds that acceptance of an application or applications
82 would place the health care center in an impaired financial condition;

83 or (5) where the commissioner finds that compliance with subsection
84 (b) or (f) of this section would place the health care center in an
85 impaired financial condition. A health care center that refuses to offer
86 coverage pursuant to subdivision (3) of this subsection may not, for
87 ninety days after such refusal, offer coverage in the applicable area to
88 new cases of employer groups with more than twenty-five eligible
89 employees.

90 (d) A small employer carrier shall not be required to offer coverage
91 or accept applications pursuant to subsection (b) of this section subject
92 to the following conditions: (1) The small employer carrier ceases to
93 market health insurance or health benefit plans to small employers and
94 ceases to enroll small employers under existing health insurance or
95 health benefit plans; (2) the small employer carrier notifies the
96 commissioner of its decision to cease marketing to small employers
97 and to cease enrolling small employers, as provided in subdivision (1)
98 of this subsection; and (3) the small employer carrier is prohibited from
99 reentering the small employer market for a period of five years from
100 the date of the notice required under subdivision (2) of this subsection.

101 (e) For groups containing only one member, a small employer
102 carrier or health care center offering coverage pursuant to this section
103 may require proof that the individual has been self-employed for three
104 consecutive months.

105 (f) Each small employer carrier, including, but not limited to, a
106 health care center, shall offer each health care plan that the carrier
107 makes available to small employers, except association group plans, to
108 all small employers, including, but not limited to, groups containing
109 only one member.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2011</i>	38a-568

Statement of Purpose:

To require the board of directors of the Connecticut Small Employer Health Reinsurance Pool to establish small employer health care plans with a lower option level of coverages, with benefit and cost-sharing levels that are consistent with other group plans available in the state, including, but not limited to, high deductible health plans.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]